

SIMEST support for the international expansion of Italian companies

16th February 2021

MAKE in INDIA with ITALY

SIMEST today

We are a **CDP Group** company, 76% controlled by **SACE** and 24% owned by Italy's leading banks and banking associations. We offer to Italian companies **financial support, for export and internationalization**, to help their international growth.

Working with SIMEST means having a partner who...



... is part of Cassa depositi presiti Group, a company controlled by the Italian Ministry of Economy and Finance. CDP is the Italian National Promotional Institution, as well as the Financial Institution for Development Cooperation.



...is a company at the center of an institutional support for the Italian business and trade system which is managed by the Italian Ministry of Foreign Affairs and International Cooperation. The Ministry's competencies in commercial policy and internationalization of Italian business and trade include the supervision of SIMEST and ITA.



...is a member of EDFI – European Development Institutions, which involve 15 leading European financiers, through which it collaborates with multilateral finance institutions.



Range of instruments

We operate with our own resources as well as manage funds on behalf of the Italian Ministry of Foreign Affairs. Our objective is **to help Italian companies in their internationalization process, especially SMEs**

We accompany businesses during the whole internationalization cycle, from opening of a new market, the initial assessment on the to the expansion through direct investment.

The three lines of activity:

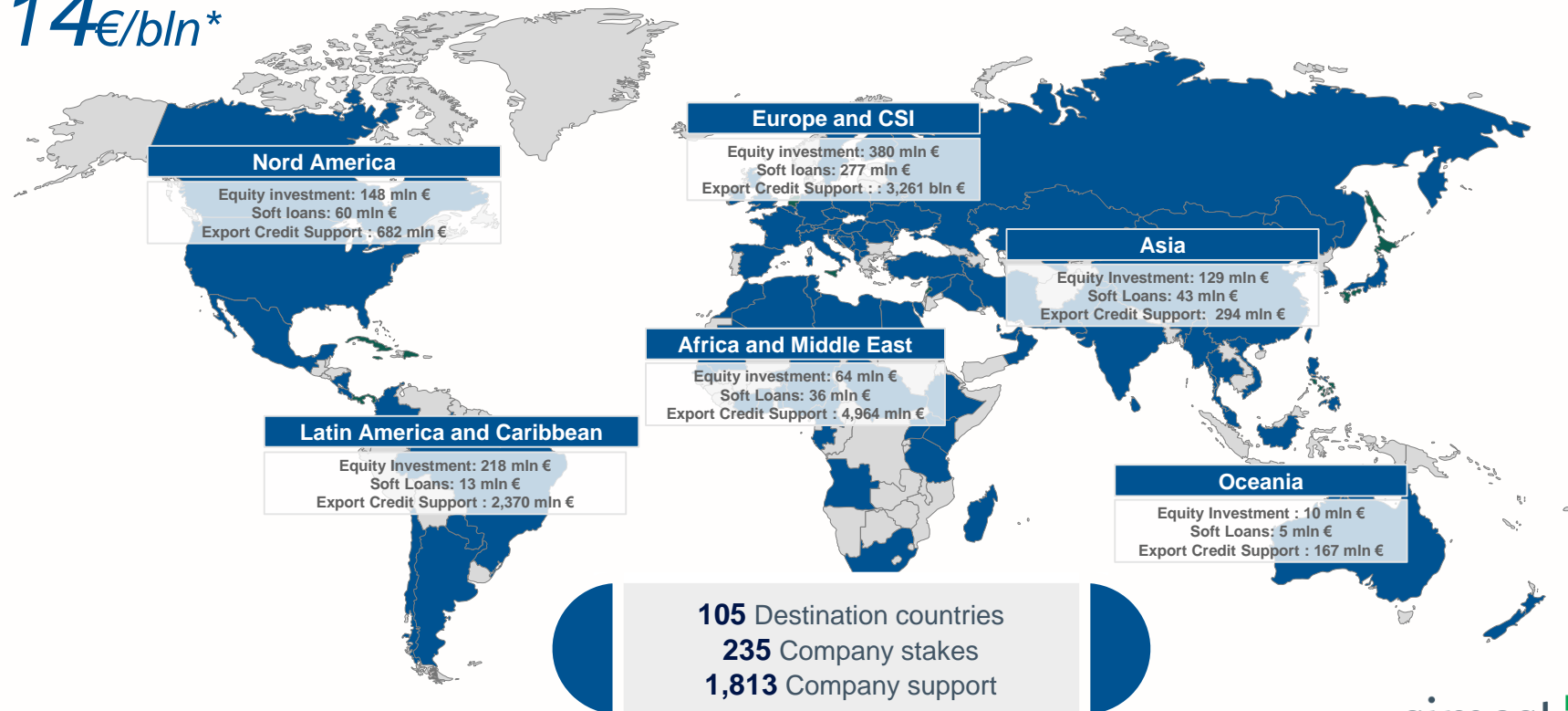
1
Soft loans

2
Equity Investment

3
Export Credit Support

Project portfolio 2019

14€/bln*



1) Soft Loans

- **Businesses' participation in trade fairs and/or exhibitions.** We help Italian companies participate in international events and ITA missions promoting business in new markets
- **Capitalization of exporting businesses.** We help strengthen the capital of Italian SMEs and MidCaps aiming to expand internationally
- **Feasibility studies.** We finance feasibility studies related to foreign investment for commercial and productive investments
- **Programmes for entering foreign markets.** We facilitate the entrance into new markets by financing the opening of permanent commercial structures
- **Technical assistance programmes.** We help with the training of personnel for foreign investment initiatives
- **E-Commerce.** We finance the development of E-Commerce through the use of a marketplace or the realization of an IT platform
- **Temporary Export Manager (TEM).** We support the temporary hiring of specialized professionals (Temporary Export Manager, Temporary Digital Manager, Temporary Innovation Manager) for the development of projects abroad
- **Capitalization of the trade fair system.** We help strengthen the capital of Italian trade fair organizations and Italian companies organizing trade fair events of international relevance



Due to the high volumes of applications, soft loans are currently suspended,
except for the product Capitalization of the trade fair system

Soft Loans: features



Funding

Soft loans are **public funds** managed by SIMEST on behalf of the Italian Ministry of Foreign Affairs addressed to **Italian exporting companies or aiming at internationalization**.

Loans are provided pursuant EC Regulation “de minimis” (200k of public subsidies during 3 years)



A fully digital process

Through the **SIMEST online platform**, enterprises can apply for a new loan and manage existing loans **completely online, in a few simple steps**.

A guided process helps companies find the proper product and an **online assistance from a specialist** is available throughout the process.



Current subsidized rate: 0,055%

Companies applying to soft loans benefit from a **subsidized rate that is 10% of the EU benchmark rate**, variable on a monthly basis



Product innovation

- ✓ Starting from August 2020, soft loans projects can be targeted **also towards EU countries**
- ✓ **Maximum amounts for each product have been increased** until the end of 2021
- ✓ **No guarantees** are needed until June 2021
- ✓ **Non-refundable co-financing** for transactions approved by June 2021 (EC Temporary Framework for State aid measures)

Focus: Businesses' participation in trade fairs and/or exhibitions



Promote your brand and/or product in international events abroad and in Italy

WHO THIS IS FOR

all enterprises, either in individual or aggregate form



ELIGIBLE EXPENDITURE

expenditure for exhibition space, fittings, outside personnel, promotional activities and advisory services relating to participation in international fairs or exhibitions, including institutional missions



SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



DURATION OF THE LOAN

4 years, with grace period of 1 year



ELIGIBLE AMOUNT

- ≤ € 150.000
- ≤ 15% of the turnover in the last approved financial statements

Focus: Feasibility studies



Assess opportunities for investing in a foreign market

WHO THIS IS FOR

all enterprises, either in individual or aggregate form



ELIGIBLE EXPENDITURE

personnel travel expenses, travels, accommodation and consultancy costs, aimed at assessing the feasibility of production or business investments in foreign countries



SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



DURATION OF THE LOAN

4 years, with grace period of 1 year



ELIGIBLE AMOUNT

- ≤ € 200.000 for studies on business investments
- ≤ € 350.000 for studies on production investments
- ≤15% of average turnover over the last two years



CONDITIONS

- the study must relate to only one country of interest
- several applications can be made for feasibility studies in different countries

Focus: Programmes for entering foreign markets



Market your products abroad by opening a commercial structure in a foreign country

WHO THIS IS FOR

All enterprises, either in individual or aggregate form



ELIGIBLE EXPENDITURE

Expenses for the creation of an office, show room, shop, corner, warehouse or after-sales assistance centre, in a foreign country and related advertising, promotion and consultancy activities



SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



DURATION OF THE LOAN

6 years, with grace period of 2 years



ELIGIBLE AMOUNT

- \geq € 50.000
- \leq € 4.000.000
- \leq 25% of average turnover over the last two years



CONDITIONS

- it can relate to the marketing of products or services in new geographic markets and/or the launch of new products or services in areas already covered
- several applications can be made for programmes in various target countries

Focus: Technical assistance programmes



Train your staff in your investment initiatives abroad

WHO THIS IS FOR

All enterprises, either in individual or aggregate form



ELIGIBLE EXPENDITURE

Personnel, travel, accommodation and consultancy costs incurred for the training of operational staff abroad



SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



DURATION OF THE LOAN

4 years, with grace period of 1 year



ELIGIBLE AMOUNT

- ≤ € 300.000
- ≤ 15% of average turnover over the last two years



CONDITIONS

- the programme must involve only one country of interest
- several applications can be made for programmes in various countries

Focus: Capitalization of exporting businesses



Strengthen your capital to compete in international markets

WHO THIS IS FOR

Italian **SMEs and Mid Cap**, set up as corporations, which have achieved at least 20% of their turnover abroad over the last two years or 35% in the last year



SUBSIDISED INTEREST RATE

EU benchmark rate for the first two years; in subsequent years, if the capital strength threshold is achieved or exceeded, a subsidised rate of 10% of the EU benchmark rate will be applied



DURATION OF THE LOAN

6 years, with grace period of 2 years



ELIGIBLE AMOUNT

- ≤ € 800.000
- ≤ 40% of equity



CONDITIONS

- the loan application must be made by a corporation
- the loan must be aimed at improving or maintaining the level of capital strength (equity/non-current assets)

Focus: E-Commerce



Develop your digital commerce in foreign countries through your own platform or a market place

WHO THIS IS FOR

all enterprises, either in individual or aggregate form



ELIGIBLE EXPENDITURE

- platform creation and development
- platform/market place management/operation
- promotional expenses and training



SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



DURATION OF THE LOAN

4 years, with grace period of 1 year



ELIGIBLE AMOUNT

- \geq € 25.000;
- \leq € 300.000 for the use of a market place provided by third parties;
- \leq € 450.000 to build your own platform.
- \leq 15% of average turnover over the last two years



CONDITIONS

- the program must cover a single country

Focus: Temporary Export Manager (TEM)



Develop internationalization projects in foreign countries through the support of a temporary export/digital/innovation professional

WHO THIS IS FOR

All enterprises, either in individual or aggregate form



DURATION OF THE LOAN

4 years, with grace period of 2 year

ELIGIBLE EXPENDITURE

- expenses for the professional services of the TEM
- expenses closely related to the implementation of the project developed with the assistance of the TEM



ELIGIBLE AMOUNT

- \geq € 25.000;
- \leq € 150.000;
- \leq 15% of average turnover over the last two years

SUBSIDISED INTEREST RATE

10% of the EU benchmark rate



CONDITIONS

- companies that provide the TEM must be «limited companies» and have a track record in TEM projects in the past 2 years

2) Equity Investment

Common features

✓ Size of the equity investment

up to 49% of foreign company capital and in any case not more than the equity investment of the Italian promoting company

✓ Duration of the equity investment

up to 8 years (longer for projects financed by multilateral development banks)

Additional support in non-EU countries

✓ Interest subsidy

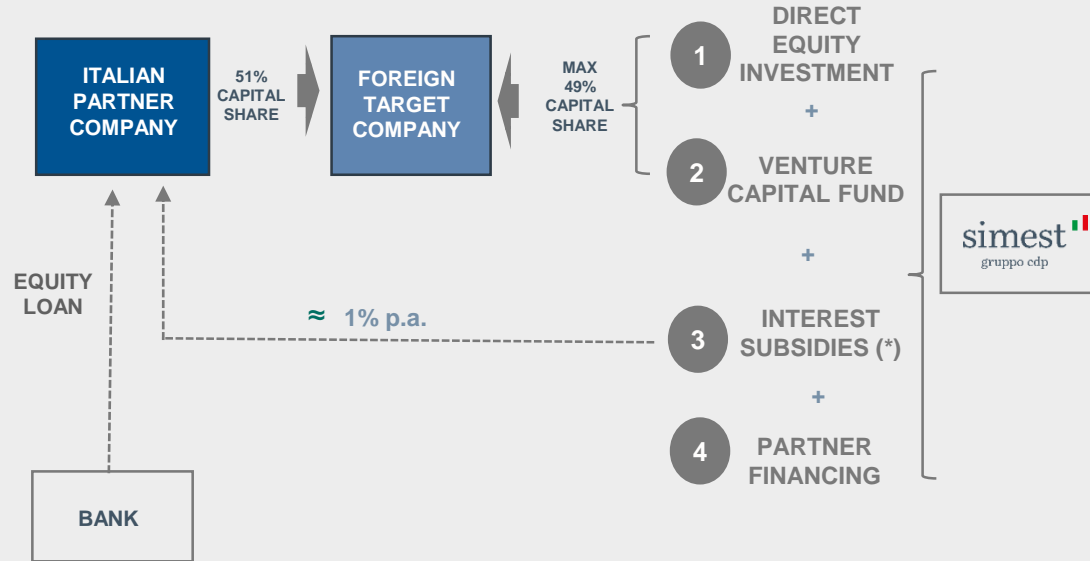
- subsidy on loans for the acquisition of an equity investment in a foreign company (on 90% of the Italian company holding and up to 51% of the foreign company capital)
- ≤ 40 million euro for an individual project and ≤ 80 million euro for an economic group

Additional support in EU & non-EU countries

• Additional equity investment by the Public Venture Capital Fund

the total equity investment of SIMEST + Venture Capital Fund can reach up to 49% of the foreign enterprise capital but cannot exceed the holding of the Italian promoting company

BLENDING INSTRUMENTS



The direct equity investment enables the request for an additional investment by SIMEST through a shareholder loan.

Focus: Equity investments of the public Venture Capital Fund*



Invest in foreign companies based in EU and non-EU countries

WHO THIS IS FOR

all enterprises investing in foreign countries with SIMEST



DURATION OF THE EQUITY INVESTMENT

up to 8 years but not longer than the direct investment by SIMEST

SIZE OF THE EQUITY INVESTMENT

the total equity investment of SIMEST + Venture Capital Fund can reach up to 49% of the foreign enterprise capital but cannot exceed the holding of the Italian promoting company



CONDITIONS

- the equity investment of the Venture Capital Fund is additional to SIMEST direct equity investment
- return at the ECB rate + spread according to the size class of the enterprise (max 1%)

New

In 2020 Venture Capital Fund scope has been widened in order to invest in start-up projects

Thank you